The Director of Central Intelligence Washington, D.C. 20505

National Intelligence Council

NIC #01255-84 24 February 1984

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MEMORANDUM FOR:	Director of Central Intelligence
	Deputy Director of Central Intelligence

VIA:

Chairman, National Intelligence Council

FROM:

National Intelligence Officer for East Asia

SUBJECT:

Update on East Asia

While you were gone:

- -- Marcos appeared to have lost his political touch in managing two otherwise unimportant events in the Philippines;
- -- the Chinese sent a higher-level delegation to Andropov's funeral than to Brezhnev's, but elicited a Soviet snub that may slow efforts to reduce tension between Beijing and Moscow;
- -- South Korea replied to North Korea's letter calling for tripartite talks on a peace treaty and US troop withdrawal with a counterproposal for North-South talks on reunification;

The Philippines. Many observers question whether Marcos is losing his political touch as a consequence of two recent incidents. In the first, an event that had attracted little interest was transformed into a huge demonstration when police arrested a group of athletes who were staging an anti-government run from the provinces through Manila to the airport. In the second incident, the Airport Security Command, the same organization that was involved in Aquino's assassination, arrested former Senator Laurel at the airport as he was about to board a plane enroute to the US. Although released the next day when the charge of carrying a weapon was dropped, the arrest transformed Laurel's quiet departure into another major anti-government incident. Marcos' timing was particularly bad, since the Solarz Committee is

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about to begin hearings on the \$9 hundred million dollar bases package for the

Philippines; Laurel could well be called as a witness.

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Imelda was in Washington recently and met Mrs. Reagan at a "tea party". The NSC has asked other officials to decline contact. You should also try to avoid Imelda if she calls you.

China. The highest level delegation China has sent to Moscow in twenty years got nothing more than a reception from First Deputy Premier Aliyev, who is the closest possible counterpart to Wan Li, the leader of the Chinese group. Deputy Foreign Minister Kapitsa, who is Moscow's China expert, was notable by his absence. A Chinese condolence message to the Supreme Soviet was also warmer than one sent after Andropov's death, and was signed by President Li Xiannian, whereas the earlier message was sent unsigned. Although Chinese reasoning remains obscure, it is clear that the Chinese have deliberately exceeded the requirements of protocol. Thus far the Soviets have not reacted.

South Korea. South Korea has counterproposed North-South talks on
reunification in response to North Korea's call for tripartite talks on a
peace treaty and US troop withdrawalto be followed by North-South talks on
reunification. Next week the US will query the Chinese in Beijing on Chinese
reactions, but all signs point to firm Chinese support for North Korean
positions.

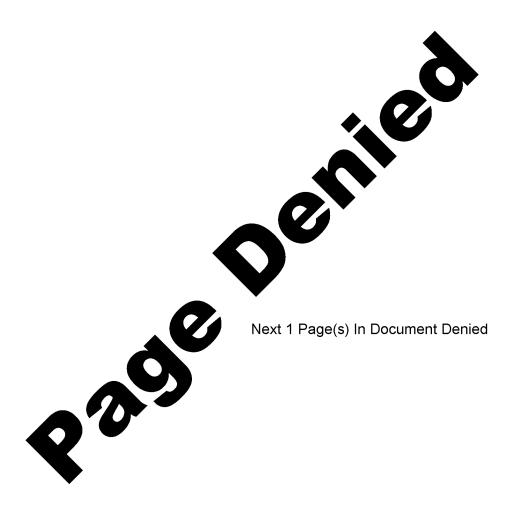
In sum, there is considerable posturing, little hope for significant change in North Korea's position, and a glimmer of interest by the Chinese in starting talks—if Washington is willing to take the lead and the risks. You will want to discuss this more fully with Ambassador Walker when you see him

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